WEEKLY ECONOMIC REVIEW

June 1, 2007

Canadian real GDP recorded an annualized growth rate of 3.7% in the first quarter of 2007, up sharply from the last quarter of 2006. Growth was largely driven by higher consumer expenditures and a build-up of business inventories. However, these gains were dampened by declines in exports of forest products (-6.3%) and industrial goods and materials (-0.5%).

Canadian economic growth significantly outpaced that in the U.S. in the first quarter, the first time since the fourth quarter of 2005. U.S. real GDP only increased at an annualized rate of 0.6% in the first quarter of 2007, much lower than the growth of 2.5% in the last quarter of 2006.

Average weekly earnings for payroll employees in Alberta decreased by 0.4% in March, although it continued to show strong growth with a year-to-date increase of 5%. Nationally, average weekly earnings rose by 0.4% with year-to-date growth of 3.1%.

Alberta's farm cash receipts reached $2.4 billion in the first quarter of 2007. This is 15.2% above the same period last year and higher than the national growth rate of 8.6%. The gain was mainly due to higher grain and oilseed prices.

Cdn Dollar (US¢/CS)

June	1, 2007	94.3
May	25, 2007	92.6
2007-08		89.8

WTI Oil US$/bbl

May	31, 2007	$64.01
May	24, 2007	$64.18
2007-08		$63.76

Nymex Natural Gas CS/mcf *

April Contract

June	1, 2007	$8.35
May	25, 2007	$8.32

*Estimate based on Nymex Futures Market Price

The Industrial Product Price Index rose by 0.2% from March to April, its sixth consecutive monthly increase. During the same period, the Raw Materials Price Index increased by 3.3%. The upward movements in both indices came largely from higer prices for petroleum products and metals.

The number of drilling rigs in Alberta averaged 263 in the first five months of 2007, down 32.6% from the same period a year ago. The decline is largely due to lower drilling for natural gas.

The Canadian dollar advanced to 94.3 cents US today as a result of Canada's strong economic growth and hawkish statements from the Bank of Canada.

Economic Indicators Released this Week		Reference Period	Quarter/Previous Quarter (Q/Q)	Quarter/Previous Year's Quarter (Y/Y)	Year-to-date[1]
		1st Quarter			
Canadian Real GDP (millions of $2002)		1,300,566	0.9%	3.7%	3.7%
U.S. Real GDP (billions of $2000)		11,532	0.2%	1.9%	1.9%
Farm Cash Receipts ($Millions)	Alberta	2,373	16.6%	15.2%	15.2%
	Canada	9,889	-0.8%	8.6%	8.6%
			Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Average Weekly Earnings		March			
	Alberta	$825.64	-0.4%	4.7%	5.0%
	Canada	$765.76	0.4%	3.2%	3.1%
		April			
Canadian Industrial Product Price Index (1997=100)		118.2	0.2%	3.7%	4.0%
Canadian Raw Materials Price Index (1997=100)		173.9	3.3%	7.9%	7.7%
Rigs Drilling		May			
	Alberta	64	-19.0%	-65.3%	-32.6%

Source: Statistics Canada1Year-to-date 2007 compared to the same period in 2006;